

USDA Market Development Programs Help Nigeria's Flour Milling Industry Grow

July 2010

In less than 20 years, Nigeria has grown its flour milling industry from just a few mills in the early 1990s into the country's largest source of non-oil revenues. The rise of Nigeria's flour industry illustrates how the U.S. Department of Agriculture works with industry partners in the United States to support economic opportunities for countries all around the world. In Nigeria, allocations from USDA's Market Access Program and Foreign Market Development Program provided U.S. Wheat Associates (USWA) the resources needed to create significant growth potential in the milling industry.



From left to right: Jeff Sulak, wheat farmer, Covington, Texas; Babatunde Folarinmi Odunayo, Vice-Chairman/CEO, Honeywell Flour Mills, Nigeria; Rajesh Gaggar, Procurement Manager, Dufil Group, Nigeria; and Kikelomo Ayoola, Manager, Commodity Finance, Ecobank PLC, Nigeria. (Photo courtesy of Steele Fischbacher, Texas Wheat Producers Board, Amarillo, Texas.)

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Babatunde Folarinmi Odunayo, CEO of Nigeria's Honeywell Flour Mills, said that USWA gave the milling industry the technical knowledge to build new markets for wheat-based foods. "For example, we now provide baking training to our customers," he said. "And all that has been possible because U.S. Wheat Associates has always been ready to fund these programs."

In April, Nigerian flour milling executives, including Odunayo, traveled to the United States to tell the story of how their partnership with USWA and USDA helped to build the second largest industry in their nation. USDA market development programs support trade and technical service activities, provide in-country USWA representation, and allow USWA to bring trade teams to the United States to educate buyers, technicians, and government officials about how to get the most value possible from U.S. wheat.

Kabiru Isyaku Rabi, Group Executive Director for Nigerian milling company BUA Group, said that the potential for "significant growth is there" thanks largely to the training and capacity building measures afforded by USDA market development programs. "Nigeria today has a milling capacity of 6 million metric tons," said Rabi, "and we are doing 3.5 million at most."

"U.S. wheat has also become a basic ingredient for greater economic opportunity in Nigeria," said USWA President Alan Tracy. "Their milling industry supports thousands of jobs and is still expanding its capacity. We have supported that growth by helping these millers introduce new products like pasta, instant noodles, and cookies into this growing market."

Since 2008/09 (June-May), Nigeria has bought more U.S. hard red winter wheat than any other country and became the largest U.S. wheat buyer in the world this past marketing year ending in May 2010. As much as 90 percent of the wheat milled in Nigeria is imported from the United States, including hard red spring, hard white, durum, and soft red winter wheat. Access to imported wheat enables local businesses to invest in flour mills to meet local demand for wheat-based foods that grows as per capita income increases. That value-added processing helps create local jobs and economic gains.

For more information about USDA's market development programs, visit <http://www.fas.usda.gov/mos/marketdev.asp>.

